

Message Text

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ACTION EA-10

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RSC-01 PRS-01 SP-02 SS-15 SAM-01 TRSE-00 /048 W

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FM AMEMBASSY TOKYO

TO SECSTATE WASHDC IMMEDIATE 6570

INFO CINCPAC HONOLULU HI IMMEDIATE

AMEMBASSY SEOUL

AMEMBASSY TAIPEI

AMCONSUL HONG KONG

USLO PEKING

C O N F I D E N T I A L SECTION 1 OF 2 TOKYO 15980

EINCPAC PASS TO AMBASSADOR HODGSON AND POLAD

E.O. 11652: GDS

TAGS: PINT, JA

SUBJ: PROSPECTS OF THE MIKI ADMINISTRATION

REF: A. TOKYO 15811

B. TOKYO 15694

C. TOKYO 15549

SUMMARY: BASED ON OUR TALKS WITH A CROSS-SECTION OF LDP
DIETMEN, AND OBSERVERS, WE BELIEVE THAT MIKI WILL HEAD
ONE OF THE MOST FRAGILE GOVTS SINCE THE 1940'S. IT DE-
RIVES ITS STRENGTH CHIEFLY FROM PUBLIC SUPPORT IN A
"CRISIS" SITUATION. AS ITS FIRST ORDER OF BUSINESS,
MIKI'S ADMINISTRATION MUST COME UP WITH A CONVINCING
AND EFFECTIVE PROGRAM TO REFORM THE PARTY. THERE ARE
DOUBTS THAT IT CAN DO THIS. ORGANIZATIONALLY, MIKI WILL
HAVE ONLY TENUOUS CONTROL OVER THE PARTY LEADERSHIP.
ALSO, HE MAY SERVE AS LITTLE MORE THAN A NOMINAL PRIME
MINISTER, WITH MOST GOVT DECISION-MAKING LEFT IN THE
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HANDS OF MORE POWERFUL FIGURES SUCH AS FUKUDA OR OHIRA.

AT THIS POINT, MANY OBSERVERS SEEM TO FEEL THAT MIKI'S GOVT MAY NOT LAST A YEAR. END SUMMARY.

1. LDP PRESIDENT TAKEO MIKI IS SCHEDULED TO BE ELECTED PRIME MINISTER BY THE DIET WHEN IT CONVENES IN EXTRA-ORDINARY SESSION DEC 9. THEREAFTER HE WILL ANNOUNCE HIS NEW CABINET, MAKE A POLICY SPEECH DEC 14, AND LAUNCH INTO THE FORMIDABLE PROBLEMS OF PARTY LEADERSHIP AND NATIONAL POLICY THAT CONFRONT THE LDP. ON THIS WEEKEND, WHEN MIKI AND PARTY LEADERS ARE ENGAGED IN THE FINAL ROUND OF CONSULTATIONS AND MANEUVERS PREPARATORY TO FORMATION OF THE NEW GOVT, WE OFFER THE FOLLOWING SPECULATIVE ASSESSMENT OF MIKI'S PROSPECTS. IT IS BASED ON VOLUMINOUS PRESS ANALYSIS AND OUR CONVERSATIONS WITH A CROSS-SECTION OF LDP DIETMEN AND OTHER POLITICAL OBSERVERS DURING THE PAST WEEK.

2. MOST PEOPLE FEEL THAT MIKI WILL HEAD THE MOST FRAGILE GOVT SINCE THE 1940'S. MIKI CAME TO POWER BY DEFAULT, WITHOUT THE USUAL CREDENTIALS OF POWER--LARGE FACTIONAL BACKING AND FUNDS--AND WITHOUT ANY REAL "FACTIONAL BALANCE OF POWER HAVING BEEN ACHIEVED. HIS MAIN STRENGTH OWES TO THE FACT THAT CONTENDING FORCES WITHIN THE PARTY HAVE BEEN FORCED INTO AN UNEASY AND PROBABLY TRANSITORY TRUCE. HE HAS ALWAYS HAD CONSIDERABLE APPEAL FOR THE PUBLIC AND THE PRESS; AND NOW IN THE PRESENT "CRISIS" MOOD HIS REFORMIST IMAGE FITS EVEN MORE THE POPULAR SENSE OF WHAT IS NEEDED. EVEN HIS ERSTWHILE CRITICS RECOGNIZE HIS LONG SPELL AS AN UNDERDOG AND ARE HOLDING THEIR SHOTS. AT THE SAME TIME, ALMOST ALL OF OUR SOURCES WONDER WHETHER MIKI HAS THE CAPACITY FOR DEALING WITH THE PROBLEMS CONFRONTING THE PARTY AND THE NATION. AMONG HIS WEAK POINTS, MIKI IS BEST KNOWN FOR HIS EXCESSIVE RHETORIC (SHIINA IS SAID TO HAVE ASKED HIM TO REDUCE HIS ORAL OUTPUT BY 80 PERCENT), HIS INSTINCTIVE STANCE AS A "PROFESSIONAL CRITIC", AND HIS WEAKNESS IN ECONOMICS.

3. AS HIS FIRST ORDER OF BUSINESS, MIKI IS EXPECTED BY THE LIBERAL-DEMOCRATIC PARTY MEMBERSHIP TO UNITE THE

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PARTY AND UNDERTAKE ITS REFORM. HIS NOMINATION FORESTALLED AN OURFIGHT PARTY SPLIT, BUT NOW MIKI MUST REINVIGORATE THE PARTY AND REGAIN SOME OF THE PUBLIC SUPPORT THAT IT LOST IN THE TANAKA DEBACLE. THE LOSS OF THE GUBERNATORIAL ELECTION IN NOVEMBER IN SHIGA, A "SAFE" PREFECTURE, CAME AS THE LAST OF MANY SHOCKS TO CONSERVATIVE LEADERS AND UNDERSCORED THE CRUCIAL IMPORTANCE OF MIKI'S TASK AS PARTY PRESIDENT.

4. MIKI HAS THE ADVANTAGE OF BEING WIDELY KNOWN AS A CHAMPION OF PARTY MODERNIZATION AND REFORM. HE HAS GONE ON PUBLIC RECORD WITH A NUMBER OF "IDEALISTIC" REFORM OBJECTIVES, INCLUDING THE CALL FOR THE ELECTION OF A PARTY PRESIDENT BY A FORM OF PRIMARY ELECTION SYSTEM; ELIMINATION OF CORPORATE DONATIONS; AND THE ABOLITION OF FACTIONS. HAVING NOW COME INTO POWER, HOWEVER, HE RISKS PUBLIC AND PRESS CRICISM UNLESS HE CAN COME UP WITH A CONCRETE ACTION PLAN WHICH MATCHES HIS SLOGANS. THERE ARE SERIOUS DOUBTS THAT EVEN THE CLIMATE OF CRISIS WILL MOVE THE PARTY TO IMPLEMENT DRASTIC REFORMS. SINCE COMING TO PARTY OFFICE ON DECEMBER 4, MIKI HAS ALREADY BEGUN TO BACKPEDAL ON SOME POINTS. FOR EXAMPLE, HE NOW CLAIMS THAT CORPORATE DONATIONS CANNOT BE ELIMINATED OVERNIGHT AND MUST BE DONE IN STAGES; AND FACTIONS SHOULD BE ELMINATED, HE NOW SAYS, BUT THE NEED FOR INTRA-PARTY GROUPINGS, SUCH AS "RESEARCH ORGANIZATIONS," IS RECOGNIZED. IN ANY EVENT, MIKI'S PRACTICAL POLITICAL TASK IS TO PUT THE PARTY INTO SHAPE FOR ACHIEVING REASONABLY GOOD RESULTS IN THE PARIL 1975 COMBINED LOCAL ELECTIONS AND THE NEXT GENERAL ELECTION, POSSIBLY LATER NEXT YEAR. ANOTHER LACKLUSTER CONSERVATIVE PERFORMANCE IN THE APRIL ELECTIONS WOULD, ACCORDING TO MOST OBSERVERS, VIRTUALLY PRECLUDE MIKI'S SURVIVAL BEYOND THE PARTY CONVENTION IN JULY, AT THE LATEST.

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C O N F I D E N T I A L SECTION 2 OF 2 TOKYO 15980

CINCPAC PASS TO AMBASSADOR HODGSON AND POLAD

5. FROM THE ORGANIZATIONAL STANDPOINT, MIKI WILL HAVE ONLY A TENUOUS HOLD OVER THE PARTY LEADERSHIP. THROUGH PRIOR AGREEMENT, HE WILL HAVE NONE OF HIS FACTION MEMBERS IN ANY OF THE KEY PARTY POSITIONS. THE LDP VICE-PRESIDENT WILL BE SHIINA, AND ACCORDING TO PRESS REPORTS, NAKASONE WILL TAKE OVER THE CRUCIAL POSITION OF SECRETARY GENERAL. NISHIMURA (TANAKA FACTION) WILL PROBABLY BECOME EXECUTIVE BOARD CHAIRMAN; MATSUNO OR ARITA (BOTH FUKUDA FACTION) WILL BECOME POLICY BOARD CHAIRMAN; AND THE FUND-HANDLING POSITIONS--TREASURY BOARD CHAIRMAN AND AUDIT BOARD CHAIRMAN--WILL ALSO BE TAKEN BY NON-MIKI MEN. THUS, MIKI APPEARS LIKELY TO BE FORCED TO OPERATE MORE AS A CORPORATE CHAIRMAN THAN AN ESTABLISHED EXECUTIVE WITH CLEAR POWER BASE.

6. MOREOVER, THERE IS SOME PRESSURE FOR ANOTHER PARTY PRESIDENT ELECTION BEFORE TOO LONG. MIKI WAS ELECTED TO OFFICE LAST WEEK FOR A THREE-YEAR TERM, AND HE HAS PUBLICLY SAID THAT HE INTENDS TO SERVE A FULL TERM. IN-CONFIDENTIAL

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DEED, THE PARTY HAS WANTED TO AVOID THE APPEARANCE OF AN INTERIM, CARETAKER SOLUTION TO ITS PROBLEM. HOWEVER, ACCORDING TO A SOURCE IN THE MIKI FACTION, THERE WAS AN ORAL UNDERSTANDING AMONG THE FOUR LEADING CONTENDERS THAT THE NEXT PRESIDENT, WHOEVER HE WAS, WOULD REFORM THE PRESIDENTIAL ELECTORAL SYSTEM AND CALL FOR NEW ELECTIONS. THE PARTY CONVENTION IN JANUARY HAS BEEN MENTIONED AS A POSSIBLE TIME FOR THIS. IT WAS SAID TO BE PARTLY ON THIS BASIS THAT BOTH FUKUDA AND NAKASONE WITHDREW FROM THE RACE ON DECEMBER 1 IN FAVOR OF MIKI. UNLESS MIKI ABIDES BY THIS AGREEMENT, AT LEAST AT THE REGULAR ELECTION CONVENTION IN JULY 1975, AS HE HIMSELF HAD DEMANDED PUBLICLY BEFORE HIS NOMINATION, FUKUDA, NAKASONE, AND OHIRA --ALL OBVIOUS SUCCESSION HOPEFULS--SEEM LIKELY TO WITHDRAW THEIR ACQUIESCENCE IN THE MIKI ADMINISTRATION.

7. MANY OBERVERS ALSO BELIEVE THAT BECAUSE MIKI WILL BE PREOCCUPIED WITH PARTY REFORM, HE WILL BE ONLY A NOMINAL PRIME MINISTER. IF THIS IS THE CASE, MEN LIKE FUKUDA AND OHIRA WILL IN EFFECT BE RUNNING THE VOT AND MAKING THE POLICIES, AND NOT NECESSARILY IN FULL HARMONY. SUCH AN ARRANGEMENT IS CLEARLY ANTICIPATED IN CURRENT PRESS

SPECULATION AND ANALYSIS. ACCORDING TO THESE REPORTS, FUKUDA IS SLATED TO BECOME DEPUTY PRIME MINISTER, POSSIBLY HOLDING ANOTHER CABINET POST CONCURRENTLY, AND OHIRA OR ONE OF HIS FACTION MEMBERS, SUCH AS KIICHI MIYAZAWA, WILL BE FINANCE MINISTER. WITH THE POSSIBLE EXCEPTION OF KIMURA AS FOREIGN MINISTER, VIRTUALLY ALL OF THE OTHER MINISTERS WILL BE REPLACED. THE ONLY MIKI FACTION MEMBER MENTIONED THUS FAR FOR A MINISTERIAL POST IS ICHITARO IDE AS CHIEF CABINET SECRETARY.

8. PROSPECTS--AS OF NOW, AT LEAST, THE MIKI GOVT APPEARS LIKELY TO BE RELATIVELY SHORT-LIVED. CURRENTLY, IT ENJOYS CONSIDERABLE PUBLIC SUPPORT BECAUSE OF THE CRISIS MOOD, NEED FOR NEW LEADERSHIP AND PARTY REFORM, AND SYMPATHY FOR MIKI, THE PERENNIAL UNDERDOG WHO HAS FINALLY RECEIVED HIS CHANCE. FURTHER, THERE IS STRONG LDP SENTIMENT FOR HOLDING THE CONSERVATIVE REGIME TOGETHER IN A SEMBLANCE OF UNITY UNTIL AFTER GENERAL ELECTIONS WHICH MAY BE CALLED IN THE FALL OF 1975. HOWEVER, GIVEN
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THE INHERENT WEAKNESSES OF HIS GOVT AND THE MAGNITUDE OF THE PROBLEMS CONFRONTING IT, WE THINK IT DOUBTFUL THAT HIS GOVT WILL BE ABLE TO LAST UNTIL THEN.
SHOESMITH

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